

ADOPTED

BOARD OF SUPERVISORS COUNTY OF LOS ANGELES

#22 SEPTEMBER 14, 2010

Los Angeles County Board of Supervisors

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September 14, 2010

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The Honorable Board of Supervisors County of Los Angeles 383 Kenneth Hahn Hall of Administration 500 West Temple Street Los Angeles, California 90012

Dear Supervisors:

Fifth District

John F. Schunhoff, Ph.D. Interim Director

Gail V. Anderson, Jr., M.D. Interim Chief Medical Officer

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To improve health

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REQUEST TO ACCEPT COMPROMISE OFFERS OF SETTLEMENT (ALL DISTRICTS) (3 VOTES)

SUBJECT

To request Board approval for the Interim Director of Health Services (Director) to accept compromise offers of settlement for patients who received medical care at either County facilities and/or at non-County operated facilities under the Trauma Center Service Agreement. The compromise offers of settlement referenced below are not within the Director's authority to accept.

IT IS RECOMMENDED THAT YOUR BOARD:

Authorize the Director or his designee, to accept the attached compromise offers of settlement, pursuant to Section 1473 of the Health and Safety Code, of the following individual accounts:

Patients who received medical care at County facilities:

- (1) Account Number LAC+USC MC Various \$500
- (2) Account Number LAC+USC MC Various \$3,000
- (3) Account Number H/UCLA MC 782712 \$3.617
- (4) Account Number LAC+USC MC 4888105 \$4,000
- (5) Account Number LAC+USC MC Various \$5,000
- (6) Account Number LAC+USC MC Various \$6,185
- (7) Account Number LAC+USC MC Various \$7,859
- (8) Account Number LAC+USC MC 6591587 \$8,000



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The Honorable Board of Supervisors 9/14/2010 Page 2

(9) Account Number LAC+USC MC – Various \$8,000 (10) Account Number LAC+USC MC – Various \$20,100

Trauma patients who received medical care at non-County facilities:

- (11) Account Number EMS -227 \$3,500
- (12) Account Number EMS -221 \$3,662
- (13) Account Number EMS -226 \$9,333

Total All Accounts: \$82,756

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

Patients who received medical care at a County facility: The compromise offers of settlement for patient accounts (1) - (10) are recommended because the patients are unable to pay the full amount of charges and the compromise offers represent the maximum amount the Department was able to negotiate or was offered under the legal settlement involved in these cases.

Trauma patients who received medical care at non-County facilities: The compromise offers of settlement for patient accounts (11) - (13) are recommended because the County has agreements with certain non-County medical facilities under which it pays for trauma care provided to eligible indigent patients at those facilities. These agreements allow the County, after it has made payment for a particular patient, to pursue recovery from third parties who are financially responsible for such trauma care.

The best interests of the County would be served by approving the acceptance of these compromises, as it will enable the Department of Health Services (DHS) to maximize net revenue on these accounts.

<u>Implementation of Strategic Plan Goals</u>

The recommended action supports Goal 1, Operational Effectiveness, of the County's Strategic Plan.

FISCAL IMPACT/FINANCING

This will expedite the County's recovery of revenue totaling approximately \$82,756.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Under County Code Chapter Section 2.76.046, the Director has the authority to reduce patient account liabilities by the greater of i) \$15,000, or ii) \$75,000 or 50 percent of the account balance, whichever is less. Any reduction exceeding the Director's authority requires Board approval.

On January 15, 2002, your Board adopted an ordinance granting the Director authority to compromise or reduce patient account liabilities when it is in the best interest of the County to do so.

On November 1, 2005, your Board approved a revised ordinance granting the Director authority to reduce, on an account specific basis, the amount of any liability owed to the County which relates to medical care provided by third parties for which the County is contractually obligated to pay, and

The Honorable Board of Supervisors 9/14/2010 Page 3

related to which the County has subrogation or reimbursement rights. The revised ordinance was adopted by your Board on December 8, 2005.

Typically, recoveries in legal settlements are divided approximately into thirds between plaintiff, plaintiff's attorney, and all medical lien holders, which would include the County's lien. Factors that contribute to each party receiving more or less than one-third of the recovery include the number of medical lien holders, the patient's attorney retainer agreement, and costs accrued by the patient during the legal process.

IMPACT ON CURRENT SERVICES (OR PROJECTS)

Maximizing net revenues on patients who received medical care at County facilities will help DHS meet its budgeted revenue amounts. All payments received for the trauma accounts (non-County facilities) will replenish the Los Angeles County Trauma Fund.

Respectfully submitted,

JOHN F. SCHUNHOFF, Ph.D. Interim Director

JFS:lg

Enclosures

c: Chief Executive Office County Counsel Executive Office, Board of Supervisors

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES TRANSMITTAL No. 1 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$22,746	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$22,746	Date of Service	Various
Compromise Amount Offered	\$500	% Of Charges	2 %
Amount to be Written Off	\$22,246	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$22,746 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$1,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$500	\$500	50 %
Lawyer's Cost	-	-	-
LAC+USC Medical Center	\$22,746	\$500	50 %
Other Lien Holders	-	-	-
Patient	-	-	-
Total	-	\$1,000	100 %

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 2 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$93,374	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$93,374	Date of Service	Various
Compromise Amount Offered	\$3,000	% Of Charges	3 %
Amount to be Written Off	\$90,374	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$93,374 for medical services rendered. The patient is an out-of-county patient and did not qualify for any of Los Angeles County's low cost/no cost programs. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$6,000	\$6,000	40 %
Lawyer's Cost	\$1,892	\$1,892	12 %
LAC+USC Medical Center *	\$93,374	\$3,000	20 %
Other Lien Holders *	\$5,414	\$1,589	11 %
Patient	-	\$2,519	17 %
Total	-	\$15,000	100 %

^{*} Lien holders are receiving 31% of the settlement (20% to LAC+USC Medical Center and 11% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holder is receiving 31% of the settlement with the patient receiving the remaining 17% of the settlement.

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES TRANSMITTAL No. 3 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$104,255	Account Number	782712
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$104,255	Date of Service	4/03/10 - 4/14/10
Compromise Amount Offered	\$3,616.75	% Of Charges	3 %
Amount to be Written Off	\$100,638.25	Facility	H/UCLA Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at H/UCLA Medical Center and incurred total inpatient gross charges of \$104,255 for medical services rendered. The patient did not apply for Medi-Cal or ATP. The patient obtained an attorney and chose to be billed. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	-	-	-
H/UCLA Medical Center *	\$104,255	\$3,616.75	25 %
Other Lien Holders *	\$1,383.25	\$1,383.25	9 %
Patient	-	\$5,000	33 %
Total	-	\$15,000	100 %

^{*} Lien holders are receiving 34% of the settlement (25% to H/UCLA Medical Center and 9% to others).

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 4 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$91,230	Account Number	4888105
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$91,230	Date of Service	9/25/06 - 10/10/06
Compromise Amount Offered	\$4,000	% Of Charges	4 %
Amount to be Written Off	\$87,230	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$91,230 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33 %
Lawyer's Cost	\$1,028.90	\$1,028.90	7 %
LAC+USC Medical Center *	\$91,230	\$4,000	27 %
Other Lien Holders *	\$1,537.25	\$500	3 %
Patient	-	\$4,471.10	30 %
Total	-	\$15,000	100 %

^{*} Lien holders are receiving 30% of the settlement (27% to LAC+USC Medical Center and 3% to others). This settlement distribution is consistent with the Hospital Lien Act (California Civil Code section 3045) which indicates that lien holders are entitled to up to 50% of the settlement after deducting attorney's fees and cost. The lien holder is receiving 30% of the settlement with the patient receiving the remaining 30% of the settlement.

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 5 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$114,576	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$114,576	Date of Service	Various
Compromise Amount Offered	\$5,000	% Of Charges	4 %
Amount to be Written Off	\$109,576	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$114,576 for medical services rendered. The patient qualifies for Outpatient Reduced-Cost Simplified Application (ORSA) with no liability. No other coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$15,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$5,000	\$5,000	33.33 %
Lawyer's Cost *	\$750	-	-
LAC+USC Medical Center	\$114,576	\$5,000	33.34 %
Other Lien Holders	-	-	-
Patient	-	\$5,000	33.33 %
Total	-	\$15,000	100 %

^{*} The attorney agreed to waive his costs.

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 6 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$63,027	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$63,027	Date of Service	Various
Compromise Amount Offered	\$6,185.38	% Of Charges	10 %
Amount to be Written Off	\$56,841.62	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$63,027 for medical services rendered. The patient was denied Medi-Cal and no other coverage was found. The patient's third party liability (TPL) claim settled for \$20,000 and her attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,000	\$6,666.67	33 %
Lawyer's Cost	\$962.58	\$962.58	5 %
LAC+USC Medical Center *	\$63,027	\$6,185.38	31 %
Other Lien Holders *	\$105,581.87	\$3,802	19 %
Patient	-	\$2,383.37	12 %
Total	-	\$20,000	100 %

^{*} Lien holders are receiving 50% of the settlement (31% to LAC+USC Medical Center and 19% to others).

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 7 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$139,088	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$139,088	Date of Service	Various
Compromise Amount Offered	\$7,858.71	% Of Charges	6 %
Amount to be Written Off	\$131,229.29	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$139,088 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$3,980	\$3,980	16 %
Lawyer's Cost	\$150	\$150	1 %
LAC+USC Medical Center *	\$139,088	\$7,858.71	31 %
Other Lien Holders *	\$10,350	\$908.95	4 %
Patient	-	\$12,102.34	48 %
Total	-	\$25,000	100 %

^{*} Lien holders are receiving 35% of the settlement (31% to LAC+USC Medical Center and 4% to others).

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 8 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$36,492	Account Number	6591587
Amount Paid	\$0	Service Type	Inpatient
Balance Due	\$36,492	Date of Service	10/29/07 - 11/04/07
Compromise Amount Offered	\$8,000	% Of Charges	22 %
Amount to be Written Off	\$28,492	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient gross charges of \$36,492 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$26,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$10,400	\$10,400	40 %
Lawyer's Cost	\$1,250	\$1,250	5 %
LAC+USC Medical Center *	\$36,492	\$8,000	31 %
Other Lien Holders *	\$1,150	\$666.67	2 %
Patient	-	\$5,683.33	22 %
Total	-	\$26,000	100 %

^{*} Lien holders are receiving 33% of the settlement (31% to LAC+USC Medical Center and 2% to others). Attorney's fee of 40% was agreed upon in the retainer agreement between the patient and his attorney.

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 9 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$48,887	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$48,887	Date of Service	Various
Compromise Amount Offered	\$8,000	% Of Charges	16 %
Amount to be Written Off	\$40,887	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$48,887 for medical services rendered. The patient is a General Relief (GR) patient and has ATP with no liability. No other coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$25,000, the policy limit carried by the party responsible at the time of the accident, and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$8,333.33	\$8,333.33	33 %
Lawyer's Cost	\$571.41	571.41	2 %
LAC+USC Medical Center *	\$48,887	\$8,000	32 %
Other Lien Holders *	\$11,690	\$2,000	8 %
Patient	-	\$6,095.26	25 %
Total	-	\$25,000	100 %

^{*} Lien holders are receiving 40% of the settlement (32% to LAC+USC Medical Center and 8% to others).

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 10 DATE: SEPTEMBER 14, 2010

Total Gross Charges	\$58,288	Account Number	Various
Amount Paid	\$0	Service Type	Inpatient & Outpatient
Balance Due	\$58,288	Date of Service	Various
Compromise Amount Offered	\$20,100	% Of Charges	34 %
Amount to be Written Off	\$38,188	Facility	LAC+USC Medical Center

JUSTIFICATION

This patient was involved in an automobile accident. As a result of this accident, the patient was treated at LAC+USC Medical Center and incurred total inpatient and outpatient gross charges of \$58,288 for medical services rendered. No coverage was found for the patient. The patient's third party liability (TPL) claim settled for \$62,500 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement
Lawyer's Fees	\$25,000	\$18,000.81	29 %
Lawyer's Cost	\$4,256.16	\$4,256.16	7 %
LAC+USC Medical Center *	\$58,288	\$20,100	32 %
Other Lien Holders *	\$7,229.88	\$2,142.21	3 %
Patient	-	\$18,000.82	29 %
Total	-	\$62,500	100 %

^{*} Lien holders are receiving 35% of the settlement (32% to LAC+USC Medical Center and 3% to others).

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 11 DATE: SEPTEMBER 14, 2010

Total Charges (Providers)	\$98,304	Account Number	EMS 227
Amount Paid to Provider	\$14,281	Service Type / Date of Service	Inpatient & Outpatient 1/10/04 - 1/15/04
Compromise Amount Offered	\$3,500	% of Payment Recovered	25 %

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at Cedars Sinai Medical Center and incurred total inpatient and outpatient gross charges of \$98,304 for medical services rendered. The providers have received payment from the Los Angeles County Trauma Fund in the amount of \$14,281. The patient's third-party claim has been settled for \$20,000 and his attorney is proposing the following disbursement of the proceeds:

Total Claim	Proposed Settlement	Percent of Settlement (\$20,000)
\$8,000	\$8,000	40 %
\$951	\$651	3 %
318,806	\$4,400	22 %
\$98,304	\$3,500	18 %
-	\$3,449	17 %
8	\$20,000	100 %
	\$8,000 \$951 318,806	\$8,000 \$8,000 \$951 \$651 318,806 \$4,400 \$98,304 \$3,500 - \$3,449

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 25% (\$3,500) of amount paid to Cedars Sinai Medical Center.

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES TRANSMITTAL No. 12 DATE: SEPTEMBER 14, 2010

Total Charges (Providers)	\$24,670	Account Number	EMS 221
Amount Paid to Provider	\$6,101	Service Type / Date of Service	Inpatient & Outpatient 10/21/07 - 10/22/07
Compromise Amount Offered	\$3,662	% of Payment Recovered	60 %

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at St. Francis Hospital Medical Center and incurred total inpatient and outpatient gross charges of \$24,670 for medical services rendered. The providers have received payment from the Los Angeles County Trauma Fund in the amount of \$6,101. The patient's third-party claim has been settled for \$15,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$15,000)
Attorney fees	\$6,000	\$6,000	40 %
Lawyer cost	\$1,675	\$1,675	11 %
Los Angeles County	\$24,670	\$3,662	24 %
Patient	-	\$3,663	25 %
Total		\$15,000	100 %

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 60% (\$3,662) of amount paid to St. Francis Hospital Medical Center.

COUNTY OF LOS ANGELES DEPARTMENT OF HEALTH SERVICES

TRANSMITTAL No. 13 DATE: SEPTEMBER 14, 2010

Total Charges (Providers)	\$65,276	Account Number	EMS 226
Amount Paid to Provider	\$28,663	Service Type / Date of Service	Inpatient & Outpatient 8/10/07 - 8/15/07
Compromise Amount Offered	\$9,333	% of Payment Recovered	33 %

JUSTIFICATION

This patient was involved in an automobile versus automobile accident. As a result of this accident, the patient was treated at California Hospital Medical Center and incurred total inpatient and outpatient gross charges of \$65,276 for medical services rendered. The providers have received payment from the Los Angeles County Trauma Fund in the amount of \$28,663. The patient's third-party claim has been settled for \$28,000 and his attorney is proposing the following disbursement of the proceeds:

Disbursement	Total Claim	Proposed Settlement	Percent of Settlement (\$28,000)
Attorney fees *	\$12,600	\$12,600	45 %
Lawyer cost	\$2,975	\$2,975	11 %
Los Angeles County	\$65,276	\$9,333	33 %
Other Lien Holders	\$5,990	\$1,500	5 %
Patient	-	\$1,592	6 %
Total		\$28,000	100 %

^{*} Attorney's fee of 45% was agreed upon in the retainer agreement between the patient and his attorney.

As stated in the Trauma Center Service Agreement, reimbursement to providers is for the hospital component of trauma services provided to eligible indigent patients.

Proposed settlement reimburses the Trauma Fund 33% (\$9,333) of amount paid to California Hospital Medical Center.